

THE *Dan Smoot Report*

Vol. 4, No. 10

Monday, March 10, 1958

Dallas, Texas



DAN SMOOT

Double Standards

Last week, I illustrated government's double standard in the treatment of citizens who try to take a hand in the activity of shaping public opinion on important governmental affairs.

Government uses income tax laws as a club to control the thinking and acting of the public.

Citizens who form patriotic groups (like For America) to conduct educational campaigns against the harmful taxing and spending programs of government are denied the "tax-exempt" status which is normally necessary to their existence.

Organizations which propagandize for the spending and power-grabbing policies of the bureaucrats—not to mention scores of socialistic and pro-communist outfits and some that have been formally cited as communist fronts—are given the tax-exempt status.

My suggested remedy for this situation is not that the patriotic groups also be given tax-exemption, but that the income tax amendment be repealed so that *all* special-privilege, tax-exempt foundations will be eliminated.

I shall have more on this point in the future.

This week, in the following reviews of the Julian Schuman and Evetts Haley, Jr., cases, I offer another illustration of government's double standard in the handling of citizens.

* * * * *

1. The Schuman Case

On September 2, 1957, I published an article, "Subversion in the Army," based on the *Internal Security Annual Report For 1956*, released in 1957 by the Committee on the Judiciary, United States Senate.

The report was prepared by the Eastland Subcommittee—the Subcommittee to investigate the Administration of the Internal Security Act and Other Internal Security Laws.

On Page 154 of this report, Senator James O. Eastland is quoted as saying:

THE DAN SMOOT REPORT, edited and published weekly by Dan Smoot, mailing address P. O. Box 1305, Dallas, Texas, Telephone TAYlor 4-8683 (Office Address 6441 Gaston Avenue). Subscription rates: \$10.00 a year, \$6.00 for 6 months, \$3.00 for 3 months, \$18.00 for two years. For first class mail \$12.00 a year; by air-mail (including APO and FPO) \$14.00 a year. Reprints of specific issues: 1 copy for 25¢; 6 for \$1.00; 50 for \$5.50; 100 for \$10.00 — each price for bulk mailing to one person.

Copyright by Dan Smoot. Second class mail privileges authorized at Dallas, Texas

"I have had to listen to testimony now for a long time about how American citizens working in a tightly knit conspiracy have been doing everything in their power to bring Soviet power into Asia.

"They have lent their pens and voices to the Soviet world-propaganda apparatus with a villainy that is almost inconceivable to decent Americans. They have participated in anti-American demonstrations of every kind, on the air, on the platform, and in the press throughout Asia. They have falsely accused their own countrymen of the most reprehensible misconduct. They have provided the tools for the brainwashing of American prisoners of war."

The following is from pages 155-158 of the *Internal Security Annual Report for 1956*:

"Chinese communists used American communist publications—chiefly the *China Review*—for forced indoctrination of American POWs. Those who resisted met torture, starvation, and death. Those who yielded were required to make statements about the 'splendid treatment' they received in prison camps, or to accuse their own country of 'war-mongering,' or to 'confess' that they had practiced germ warfare against the Korean people. These statements were then reprinted in the *China Review* and used as a basis for the vilest anti-American propaganda throughout Asia....

"Julian Schuman was an associate editor of the *China Review* under John W. and Sylvia Powell, when Chinese communists were describing the *Review* to American POWs as 'our paper'....

"Schuman testified before the subcommittee on March 19, 1956.... Schuman invoked the Fifth Amendment rather than give true answers to any questions about his communist activities. He did, however, acknowledge some very interesting things about his career.

"He left the College of the City of New York to join the United States Army in December of 1942. A year later, he was assigned to a specialized training unit, the 4025th Signal Corps Service Unit, at Harvard University. Then he went to the Second Signal Service Battalion, Vint Hill Farms Station, Warrenton, Va., for training as a cryptanalysis technician. He served in this capacity at Fort Monmouth, and then was sent to the Pacific theater....

"Schuman served as cryptanalyst at Headquarters, Army Security Agency, Pacific. Then he came home, studied Chinese at Yale University and returned to China as a journalist....

"(He) worked for the American Broadcasting Co., the *Chicago Sun-Times*, the *Denver Post*, the *China Weekly Review*, and the *China Monthly Review*.

"Later, he wrote articles for the *Nation* and also for *New World Review*. The latter has been fully identified as a communist publication....

"Thus, it can be seen that Schuman had access to both the communist and capitalist press....

"It is noteworthy that about the same time Schuman was informing American readers about how communist troops protect the 'lives and property' of Americans, these same troops were kidnapping the American, Angus Ward, and his entire consular staff.

"Schuman, as noted, was picked out of no place in particular to receive highly secret training and later fulfilled secret functions for the United States Army in the Far East."

As a result of the Eastland Subcommittee's disclosures, Julian Schuman and the Powells (John and Sylvia) were indicted for sedition against the United States.

The following interesting information on the Schuman-Powell case was reported in a recent issue of *Counterattack*, a respected anti-communist newsletter published by American Business Consultants, 29 Broadway, New York 6, N. Y.:

"A. L. Wirin (defense attorney for Schuman and the Powells), with excellent press coverage, made a motion in Federal Court for an order to grant him permission to travel to Red China and North Korea, take the depositions of some 100 prospective witnesses and return with some of these witnesses to San Francisco where the trial is to be held.

"Wirin knew what he was doing. Federal Judge Louis E. Goodman threatened to dismiss the case unless the State Department would issue a passport to Wirin before December, 1957. Then it was the policy of the State Department not to allow nationals to visit Red China and North Korea. Thrown into a quandary by the judge's ruling, the Justice Department, anxious to pursue the case, prevailed upon the State Department to make an exception.

"We can report to you now that on December 30, 1957, Mr. Wirin was already in Honolulu on the first leg of his trip to China. We can also tell you that, as an American taxpayer, you are paying the bills.

"Judge Goodman authorized Wirin to travel on a per

diem allowance from the government as an officer of the court. . . . The order specified that Mr. Wirin had the right to interview witnesses over there, gather such evidence as he saw fit, arrange for witnesses to come to Hong Kong to make depositions, and persuade the witnesses, if he could, to come to the United States for the trial.

"At the present time, Mr. Wirin is engaged in doing just this.

"He is one of the first U. S. citizens to obtain a passport to go to China since the Korean War and holds the first license to exchange American currency for Chinese.

"It's your money, however, that he's spending. Under the court order the government is paying him \$12 a day living expenses, plus his transportation, plus 7¢ a mile for travel in China and North Korea. . . .

"(When) Mr. Wirin, wandering about Asia at your expense . . . gets back . . . with his '100 or 500 witnesses,' whose expenses will all be paid by you, it will be interesting to see what effect these carnival proceedings will have on the judge and jury. . . .

"He will have no difficulty in rounding up witnesses. . . . The number he will return with will depend upon his sense of humor at the time."

Counterattack says:

"Incidentally, Wirin's trip is all very legal, and under our judicial system, considered 'fair.'"

That depends.

It depends on whether you are accused of being a communist who has betrayed your country to promote the Kremlin cause of conquering the world for international socialism—or whether you are an American patriot accused of resisting the socialistic revolution in your own country.

If you are a patriot, you are not likely to get breaks at the taxpayers' expense.

I invite comparison between the Schuman case and the Haley case. The Haley case, which I have reported on several times before, is summarized below.

2. The Haley Case

In 1952, just after his twentieth birthday, J. Evetts Haley, Jr., (disgusted with what he was being taught in the University of Texas) left college to enter the occupation that was traditional in his family—cattle ranching.

He and his dad picked out a fine looking place on the Arkansas River in Eastern Oklahoma and bought it.

The boy was going to run the ranch and pay out his interest in it.

He made a good start.

In the fall, he would select some bottom land and sow it in wheat for winter pasturage. In the spring, he would take the cattle off the wheat and let it make a crop. If he raised more wheat than he actually needed for feed, he could haul off a load now and then and sell it for ready cash.

This ranching practice worked fine, until the spring of 1956. Evetts had acquired a wife and was about to become a father. The ranching country was in the grip of the most severe drouth on record. The family needed cash.

There was still some surplus wheat in the granary; but when Evetts took a load of it to town he couldn't sell it. The Department of Agriculture people wouldn't give him a "marketing quota card."

A clerk in the agency office told Haley that a survey of his place (designated in the government's files as "farm serially numbered H-319") had revealed a planting of wheat in excess of the allotted quota. The agency had assessed a fine of \$506.11 against Haley for this overplanting.

He could not get a "marketing quota card" until he paid the fine. And without the card, he could not sell his wheat.

Inasmuch as Haley had never tried to sell wheat to the government; had never asked for a government loan or any other kind of help; had never signed up with the government for any kind of quota or acreage allotment; and merely wanted to sell his wheat on the open market for whatever it would bring—he felt that he should not be bound by the government regulations.

But he was.

So, he took his wheat back to the ranch, to feed it to his cattle, resigned to making out as best he could without selling it.

That wasn't the way the government figured it. Haley had to pay the fine for growing the wheat whether he sold it or not.

Haley finally locked the wheat up in his granary, left his ranch, and moved to Dallas for a job.

That didn't end the matter.

A few days after the general elections in November, 1956, Evetts received a terse notice from the Agricultural Stabilization and Conservation Committee of Stillwater, Oklahoma, telling him that if he did not pay the penalty within two weeks, his case would be turned over to "proper authorities for legal action."

On November 19, 1956, Evetts rejected the demand for payment and warned against further trespass upon his property.

On January 22, 1957, he received a letter from an assistant United States Attorney for the Northern District of Texas, giving formal

notice that suit would be filed if Haley did not make arrangements to pay the \$506.11 penalty.

On February 5, 1957, Haley wrote the U. S. Attorney, saying:

"The amount involved—\$506.11—is lots of money to me. If I owed this money in the normal way to someone who had lent it to me, or had sold me that much in goods and services on credit, I would be very grateful to my creditor for offering me lenient installment terms for repayment.

"But this is not a normal 'debt' that you are trying to collect from me. My government made me no loans and delivered me no goods or services. My government is not trying to collect from me something that I owe, but is rather imposing on me a penalty because I tried to live and work as a free man.

"I am not refusing to pay merely because of the pain of parting with \$506.11 which I do not have. I refuse to pay because I think it is wrong, and because I have a son and am, therefore, tenderly concerned about the future of America. If my son does not inherit freedom, anything else that he may inherit will be worthless. . . .

"I wanted to farm and ranch in keeping with the traditions of my people. Now my own government, from whom I have refused to take bonus or subsidies, has driven me off my own land and into the city to hunt a job. It has done this because I have, in effect, refused to go on relief—to take a government dole and submit to government controls.

"Only one conclusion seems possible: The man with personal pride, who tries to 'make it on his own' is marked for extinction. . . .

"As I see it, the Constitution of the United States does not give the Department of Agriculture—or anyone else—authority to manage privately owned farms, fix quotas, set prices, pay subsidies for proper behavior, or assess penalties for failure to accept. On the contrary, the government's activities in the enforcement of the Wheat Marketing Quota Law are plainly in violation of the rights of individual citizens, according to the Fourth, Fifth, Ninth, and Tenth Amendments to the Constitution of the United States.

"I know it would be easier to go ahead and pay the

\$506.11, and then get many times that amount back from government in the form of subsidies, 'soil-bank' payments, and what not. But I was raised to be honest. . . ."

As the Haley case received notice in the press, considerable public interest developed. From all over the United States came letters, urging Haley to fight the case — to make a court test, if possible, of the constitutionality of the Agricultural Adjustment Act.

This, Haley realized, would take some doing and would cost many times more than the \$506.11 fine involved. Very few of the government's outrageous cases against farmers have ever gone to a jury trial, primarily because the farmers do not have the resources.

Haley does not have the resources, either; but the people urging him to fight realized that his fight was theirs; that if his case could become the means of arousing public indignation against the Agricultural Adjustment Act — and perhaps the means of outright repeal of that law — it would save American taxpayers more than three-and-one-half billion dollars a year, and it would leave American farmers free to solve the "agricultural" problems which government meddling has created.

Some who realized this sent donations to help pay legal costs.

A Wheat Penalty Defense Fund was set up for all donations. Dan Smoot and Darwin S. Renner, of Dallas, were named trustees. Mrs. Virginia Erwin is secretary-treasurer. Mailing address is Wheat Penalty Defense Fund, Care of Evetts Haley, Jr., Box 239, Canyon, Texas.

Thus far, a total of \$2249.72 has been donated to the fund. Paid expenses have totaled \$2216.83. Balance in the account at present is \$32.89, and there are some unpaid legal bills.

Haley's attorneys are William F. Billings and James P. Donovan, of Dallas, and Ernest L. Clulow, Jr., of Tulsa, Oklahoma. They are doing a fine legal job on the case.

After many delays, they now have the Haley case pending for jury trial in the Federal District Court at Dallas. Trial will probably be held this spring.

Haley's attorneys also obtained a court order, directing Ezra Taft Benson, Secretary of Agriculture, to make an oral deposition in the case. The Secretary honored the court order, and made a deposition to Haley's attorneys at Washington in December, 1957.

At this point, it is interesting to make the suggested comparison between the government's sedition case against Julian Schuman and the government's wheat penalty case against Evetts Haley, Jr.

Schuman's lawyer is wandering all over Asia, at taxpayers' expense, collecting depositions and gathering witnesses for his client. Haley had to pay for his lawyers' trip to Washington, D. C., for the deposition in his case.

* * * * *

Friends of the Working Man

On January 23, 1958, Mr. Stanley Lathen, Secretary of Retail Clerks Local Number 373 (AFL-CIO), 341 York Street, Vallejo, California, wrote me the following letter concerning my TV broadcast on the Right-to-Work controversy:

"Your recent appearance on the Dr. Ross Dog Food program Sunday, January 12th, prompts me to write this communication to you and enter a vigorous protest to the anti-labor diatribe which you directed to the American people.

"Those of us who are deeply interested in the welfare of the working people and who have the privilege and honor of working for organized groups of working people are keenly aware of your attitude and that of your employers and to our knowledge neither you nor your employers have proposed or accomplished one constructive good deed for the working people of this great country.

"Your employers and your philosophy leads one to believe that you would prefer to have the working people of this country put in the position of serfs, subservient to your every wish and demand, where you would use the workers to further enrich yourself at their expense and to the detriment of their economic well being as well as to their health and to their standing as citizens in this country.

"Through organized labor the workers are able to enjoy a portion of the fruits of their labor and we intend to strive in every legal way to receive a greater portion of a share of production.

"This subject matter will be discussed by the members of this union who serve the public in the food stores and I am sure that these members handling Dr. Ross Dog Food will take a very dim view as to the position of this company as enunciated by you. I am sure that they will not handle this merchandise with enthusiasm or respect for the company that makes it."

On February 17, 1958, I sent Mr. Lathen the following reply:

"The opinions I express on my radio and television programs are my own—not my sponsor's. He has nothing to do with the preparation of my scripts. And he does not know in advance what my programs will be about. The commercial firms that sponsor my broadcasts and the individuals who subscribe to my *Report* are my customers. They do not try to force me to say, or not to say, anything. I have the freedom to speak my mind honestly, and my customers have the freedom to stop buying my product when they don't like it.

"It will surprise you to know that much of the information I have on the activities of unions comes from unhappy union members themselves. I get many letters from them—quite a few from members of your union, Mr. Lathen. These union members who write me regard me as their friend, but most of them are so afraid of the unions that they beg me not to use their names.

"It will also surprise you to know that I have been a laborer for 34 years. For 13 years, I made my living by doing hard physical labor. For the past 21 years I have labored equally hard as a 'desk' or 'clerical' or 'professional' worker. I doubt that there is a union official in the world who is better acquainted with the problems of laboring men than I am. I know there is no union official who has more human sympathy for laboring men than I have.

"In a real sense, I am very pro-labor; but I am very much opposed to any organization, union or otherwise, that stays in business by forcing men to join.

"You say that 'through organized labor the workers are able to enjoy a portion of the fruits of their labor. . . .' That is one of my main objections to unions; I would like workers to enjoy *all* of the fruits of their labor.

"You speak of doing good deeds for the working people.

"What have you ever done for them? How much of your own money have you ever risked in a business venture which provided new jobs for people? How many payrolls have you ever met? How many times have you ever dug into your personal savings or mortgaged your personal belongings to pay the salaries of people who work for you?

"It is my earnest prayer that we can preserve enough freedom in America so that both you and I can fearlessly express our opinions.

"I do not wish to force my viewpoint on anyone. Nor do I threaten or try to silence those who disagree with me.

"You do threaten me, Mr. Lathen. Did it ever occur to you that if you *could* successfully use force and economic reprisals to silence me, then someone else could use force to silence you? You see, freedom is indivisible. When you destroy another man's freedom, you indirectly destroy your own. That is my selfish reason for being opposed to union tyranny.

"You said that after you discuss my broadcasts with your members, you are sure they will not handle my sponsor's merchandise with enthusiasm or respect.

"Why don't you read my letter to them, and let them decide, without pressure from your union, how they will behave on their jobs? After all, they are free men; and I certainly join you in not wanting them to become 'serfs, subservient to anyone's wish or demand.'"

What, No Jackasses?

Senator George D. Aiken, (Vermont, Republican), interrupted the questioning of Ezra Taft Benson, Agriculture Secretary, at a Senate Agriculture Committee hearing on January 22, with the suggestion that the nation's farm problem could be solved by supporting the price of horses and mules.

He made this tongue-in-cheek proposal:

"If we could support prices and get 40,000,000 horses and mules, they would eat up the grain surplus."

* * * * *

The Scalping Party

Last week I discussed the White House foreign aid conference held on February 25 to start the administration's 1958 brainwashing job of selling the people and the Congress on supporting foreign aid.

From Dwight Eisenhower and Harry Truman downward, top leaders of both political parties were present at this White House conference.

Congressman H. R. Gross (Republican, Iowa) made this comment on the affair:

"Democrats and Republicans, at each others' throats

over the weekend, plan a temporary truce during which they will bury their hatchets in the taxpayers' heads."

* * * * *

We'll Go Along

A reader has suggested a good name for our national-give-away policy: Foreign Raid!

* * * * *

For the Record

On January 13, 1958, I published an article, "Socializing America," presenting an 8-page abbreviation of a special, 386-page report which the Legislative Reference Service of the Library of Congress prepared for Congressman Ralph Gwinn and 16 other Congressmen.

In the introductory paragraphs, I said:

"The Library of Congress report shows clearly that as government grows, freedom shrivels. It shows, in fact, that if we continue in the direction we are now moving—without accelerating the process—the American economy will be 100% socialized within 100 years.... now is a good time for us to look at this official report which shows that our government is already taxing and spending us into slavery."

On January 20, 1958, Dr. Ernest S. Griffith, Director of the Legislative Reference Service, wrote me saying:

WHO IS DAN SMOOT?

Dan Smoot was born in Missouri. Reared in Texas, he attended SMU in Dallas, taking BA and MA degrees from that university in 1938 and 1940.

In 1941, he joined the faculty at Harvard as a Teaching Fellow in English, doing graduate work for the degree of Doctor of Philosophy in the field of American Civilization.

In 1942, he took leave of absence from Harvard in order to join the FBI. At the close of the war, he stayed in the FBI, rather than return to Harvard.

He served as an FBI Agent in all parts of the nation, handling all kinds of assignments. But for three and a half years, he worked exclusively on communist investigations in the industrial midwest. For two years following that, he was on FBI headquarters staff in Washington, as an Administrative Assistant to J. Edgar Hoover.

After nine and a half years in the FBI, Smoot resigned to help start the Facts Forum movement in Dallas. As the radio and television commentator for Facts Forum, Smoot, for almost four years spoke to a national audience giving both sides of great controversial issues.

In July, 1955, he resigned and started his own independent program, in order to give only one side—the side that uses fundamental American principles as a yardstick for measuring all important issues. Smoot now has no support from, or connections with, any other person or organization. His program is financed entirely from sales of his weekly publication, *The Dan Smoot Report*.

If you believe that Dan Smoot is providing effective tools for those who want to think and talk and write on the side of freedom, you can help immensely by subscribing, and encouraging others to subscribe, to *The Dan Smoot Report*.

"To prevent misunderstanding, I think somewhat more by way of explanation is necessary than you have included in the introductory paragraph.

"In the Preface of the full report, we draw a distinction between facts and opinions. That data in the report we believe to be true as far as they go, although additional data exist on the other side of the questions. These were not included because we were asked for the 'adverse' effects. More serious, is the attribution of the opinions in the study to the Legislative Reference Service. The full text of our Introduction makes clear that we have assembled opinions rather than given our own.

"Legislative Reference Service itself takes no position on questions of the type discussed nor does it make recommendations."

Here, in full, is the preface which Dr. Griffith wrote for the report in question:

"ADVERSE EFFECTS OF THE EXPANDING ACTIVITIES OF THE NATIONAL GOVERNMENT ON THE PRIVATE ECONOMY AND THE FEDERAL SYSTEM: THE CASE FOR FREE ENTERPRISE AND LOCAL SELF-GOVERNMENT.

"In these chapters the Legislative Reference Service has responded to the specific request made originally by Congressman Ralph W. Gwinn, who was later joined by sixteen other Congressmen, to bring together available data, along with the opinions and arguments of authorities and commentators, as to the adverse effects of Governmental activity on the operation of the private enterprise economy and the Federal system. The other Members of Congress who joined Congressman Gwinn in this request were Bruce Alger, Charles E. Bennett, Frank T. Bow, Cliff Clevenger, W. J. Bryan Dorn, Edgar W. Hiestand, Donald L. Jackson,

August E. Johansen, Charles Raper Jonas, Glenard P. Lipscomb, William E. Miller, former Congressman John Phillips, John R. Pillion, Errett P. Scrivner, Lawrence H. Smith, Wint Smith.

"The chapters deal with a key problem in the development of our country—the numerous examples of governmental centralized activity in an increasing number of spheres and areas of our economic and social life. They marshal evidence as to hazards and pitfalls of such activities; their threats to traditional and beneficial American ways; the restrictions upon and the narrowing of, the sphere of individual freedom.

"It is important also to state clearly what this study is not. It does not deal with the reasons—alleged or historical—which have given rise to more and more numerous and more and more intimate forms of governmental activity in the American economy. It does not deal specifically with the germinal or accessory effects of war and the large-scale defense efforts of our time. It is not a report covering all the aspects of governmental impact on the economy. While every precaution was taken to assure the accuracy of the data included, no claim is made that these data are complete or that they may not be countered by arguments presented from other points of view.

"The extent of treatment and the focus of attention of the various chapters were determined not by us but by the specific questions raised by the inquirers. As a result, labor economics, labor relations and social security are not dealt with at all, while foreign trade, taxation and agriculture are treated less extensively than reclamation, power development and governmental lending activities and housing.

"This report does not expressly or by implication present the opinions of the Legislative Reference Service as to the merits or demerits of the legislation underlying the questions asked."

If you do not keep a permanent file of *The Dan Smoot Report*, please mail this copy to a friend who is interested in sound government.

DAN SMOOT,
P. O. Box 1305
Dallas, Texas

Please enter my subscription for (_____ years) (_____ months) to THE DAN SMOOT REPORT. I enclose \$_____ ; please bill me for_____.

Rates: \$10 for 1 year
\$ 6 for six months
\$ 3 for three months
\$12 first class mail
\$14 for air mail
\$18 for 2 years

PRINT NAME

STREET ADDRESS

CITY AND STATE

ips-
hil-
ith,

op-
ern-
of
hey
tivi-
ican
the

y is
ori-
rous
ac-
cifi-
the
port
the
the
these
l by

n of
the
abor
lealt
ture
evel-
sing.

pre-
ce as
y the

is

N